GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

UNSTARRED QUESTION NO:2114
ANSWERED ON:20.07.2009
STIMULUS PACKAGE FOR EXPANSION OF SHIPPING FLEET
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Will the Minister of SHIPPING be pleased to state:

(a) whether the Government has fixed any targets for expansion of shipping fleet during the Eleventh Five Year Plan;

(b) if so, the details thereof;

(c) whether the Government has formulated a stimulus package to help and encourage shipping companies in buying marine assets;

(d) if so, the details thereof and the effective steps taken by the Government thereon; and

(e) the other steps taken by the Government to achieve the targets in this regard?

Answer

MINISTER OF SHIPPING (SHRI G.K. VASAN)

(a) & (b): The Eleventh Plan document on Shipping & IWT sector envisages the under noted target for the expansion of Indian Shipping fleet in three scenarios:

	Target
(i) Scenario – 1 (Conservative)	10 million GT.
(ii) Scenario – 2 (Modest)	12 million GT.
(iii) Scenario – 3 (Optimistic)	15 million GT.

(c) to (d): Although, in the liberalization era Govt. is not committed to providing soft loan for acquisition of ships but on account of the current financial meltdown on the request of Ministry of Shipping and at the behest of Finance Ministry, Indian Banks' Association had constituted a Working Group to examine the proposed extension of credit facilities to Shipping companies in India for purchase of ships. Indian Banks' Association has recently advised that they have no role to play in the matter and the Shipping Company should take up the matter with the individual banks.

(e): The Government has been taking various steps from time to time for the growth of Indian tonnage. These include:-

The Government of India has formulated the National Maritime Development Programme (NMDP). It is a comprehensive programme aimed at various issues that need to be addressed to bring holistic growth in the Indian Shipping Industry. Under the NMDP, Shipping Corporation of India, only Public Sector Shipping Company is in the process of acquiring a total of 76 new vessels with a total outlay of Rs.15,000 crores, to be completed in phases till end 2011-12. Of these, 6 ships have already been delivered, orders have been placed for construction of 30 vessels and remaining 40 vessels are planned for acquisition during the remaining 11th Plan period.

The Government has introduced tonnage tax regime in India since the year 2004 by which the tax outgo for Indian Shipping companies has been brought in the line with International Standard. Further, the liberalized policy on ship acquisition has been introduced and acquisition of all types of ships has been brought under Open General License (OGL). Besides, 100% FDI has been permitted in ship acquisition and registration formalities of newly acquired ships have been simplified.